

Q1 FY16 Investor Update

Friday, August 07th, 2015



Highlights of Q1 FY2016

Financial

- ✓ 15% growth in total revenue
- ✓ 17% growth in business revenue
- ✓ 9% growth in domestic revenue
- ✓ 54% growth in international revenue

Business

- ✓ Integration of the first client in process on international A2P messaging hub.
- ✓ Integrated with largest DTH operator to India A2P messaging hub.

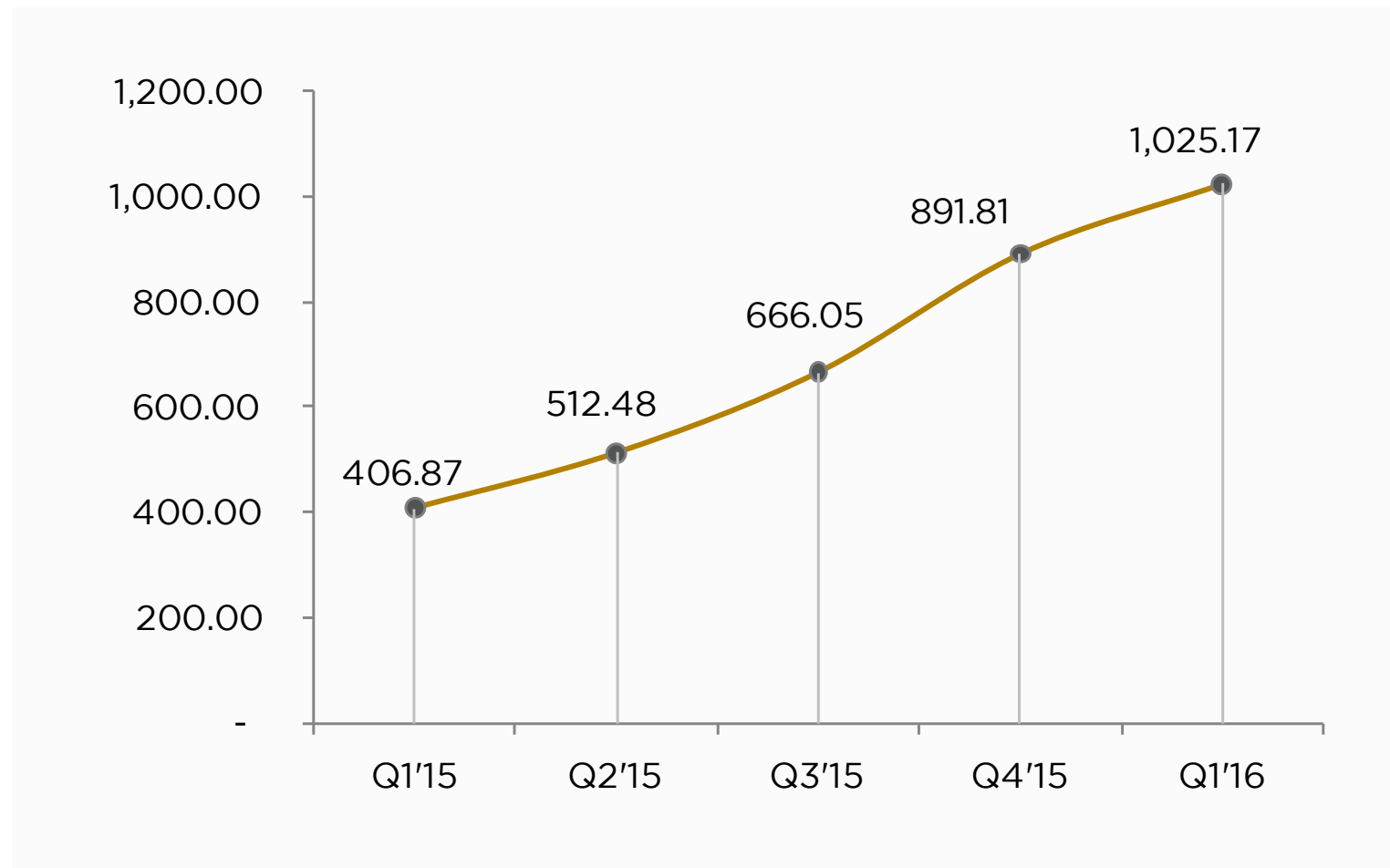
Corporate

- ✓ Obtained a “CARE A2⁺” rating from Credit Analysis & Research Ltd (CARE)
- ✓ AGM for the FY 2014-15 will be held on Wednesday, September 16th 2015.
- ✓ Ernst & Young (E & Y) has been appointed as Advisory for performing System Security Audit.
- ✓ KPMG in India, the Internal Auditors of Tanla Solutions Limited, have submitted their first internal audit report.

Financial updates

₹ in Mn

Total Revenue

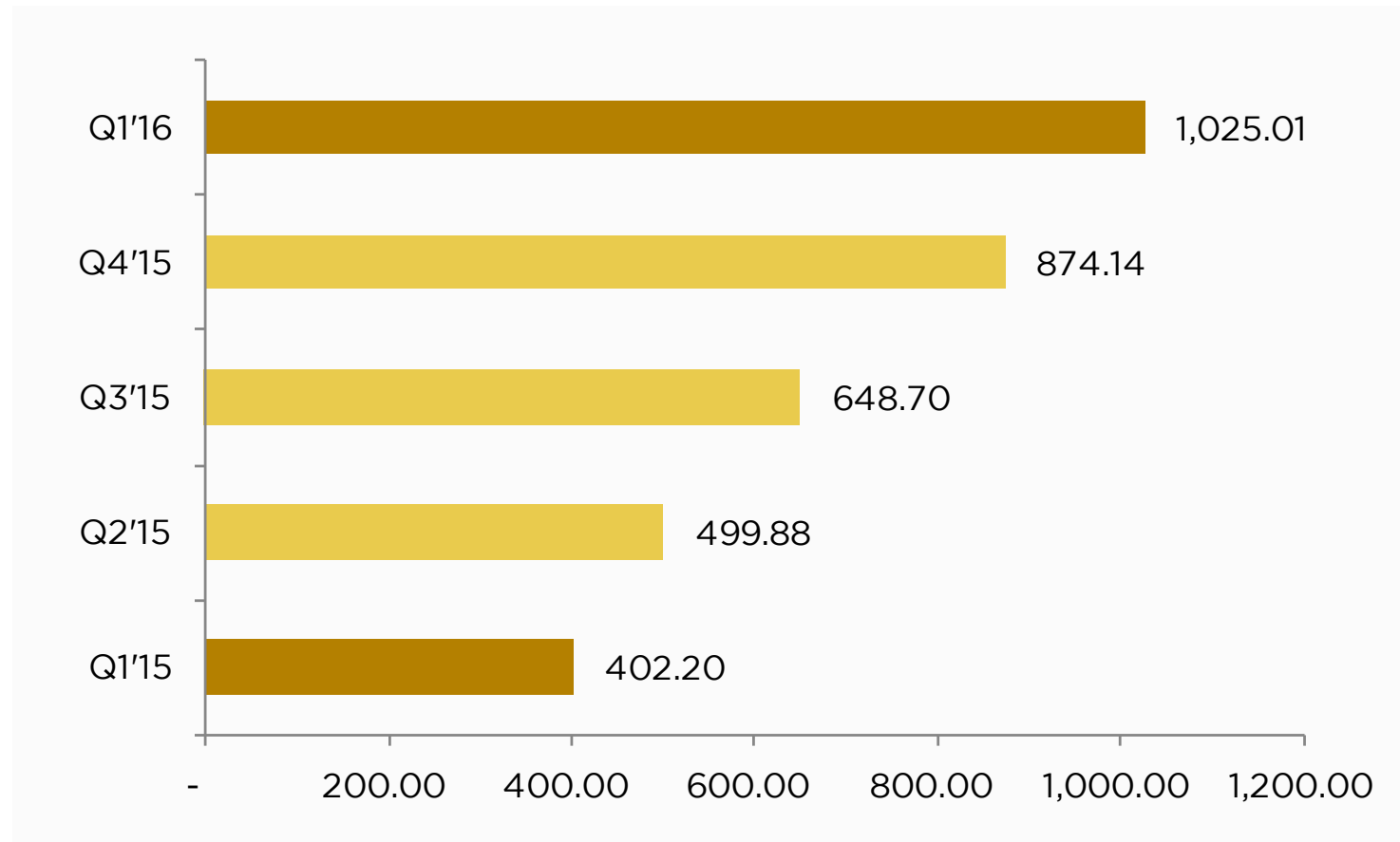


- ✓ 152% growth from ₹ 406.87 Mn in Q1 FY2015 to ₹ 1,025.17 Mn in Q1 FY2016
- ✓ 15% growth from ₹ 891.81 Mn in Q4 FY2015 to ₹ 1,025.17 Mn in Q1 FY2016

Financial updates

₹ in Mn

Business revenue



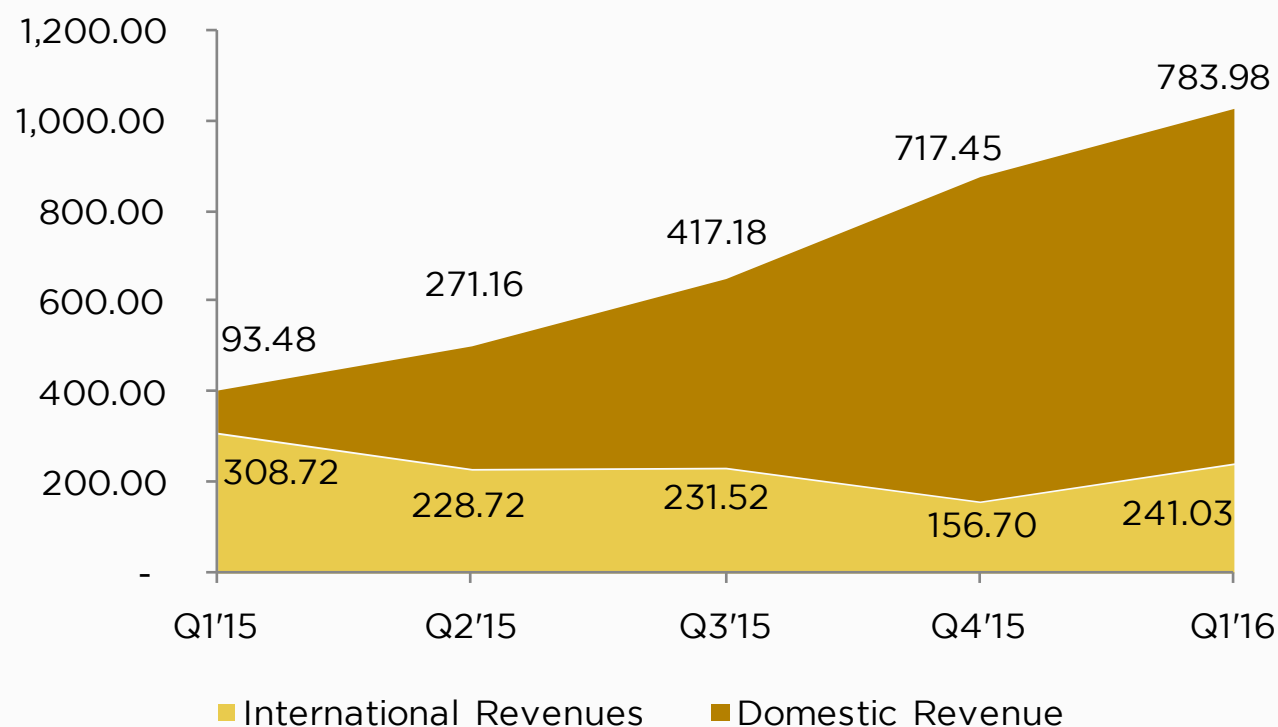
✓ 155% growth from ₹ 402.19 Mn in Q1 FY2015 to ₹ 1,025.01 Mn in Q1 FY2016

✓ 17% growth from ₹ 874.14 Mn in Q4 FY2015 to ₹ 1,025.01 Mn in Q1 FY2016

Financial updates

₹ in Mn

- Domestic & International revenue



Domestic revenue

- ✓ 739% growth from ₹ 93.48 Mn in Q1 FY2015 to ₹ 783.99 Mn in Q1 FY2016
- ✓ 9% growth from ₹ 717.45 Mn in Q4 FY2015 to ₹ 783.99 Mn in Q1 FY2016

New clients boarded on the A2P messaging hub in India during the previous FY contributed to the increase in business revenue. New wins include large enterprise clients and aggregators.

International revenue

- ✓ Lower by 22% at ₹ 241.03 Mn in Q1 FY2016 from ₹ 308.72 Mn in Q1 FY2015
- ✓ 54% growth from ₹ 156.69 Mn in Q4 FY2015 to ₹ 241.03 Mn in Q1 FY2016

Overseas business has been consolidated to include high margin clients while strategically exiting low margin verticals resulting in modest growth QoQ and de-growth YoY.

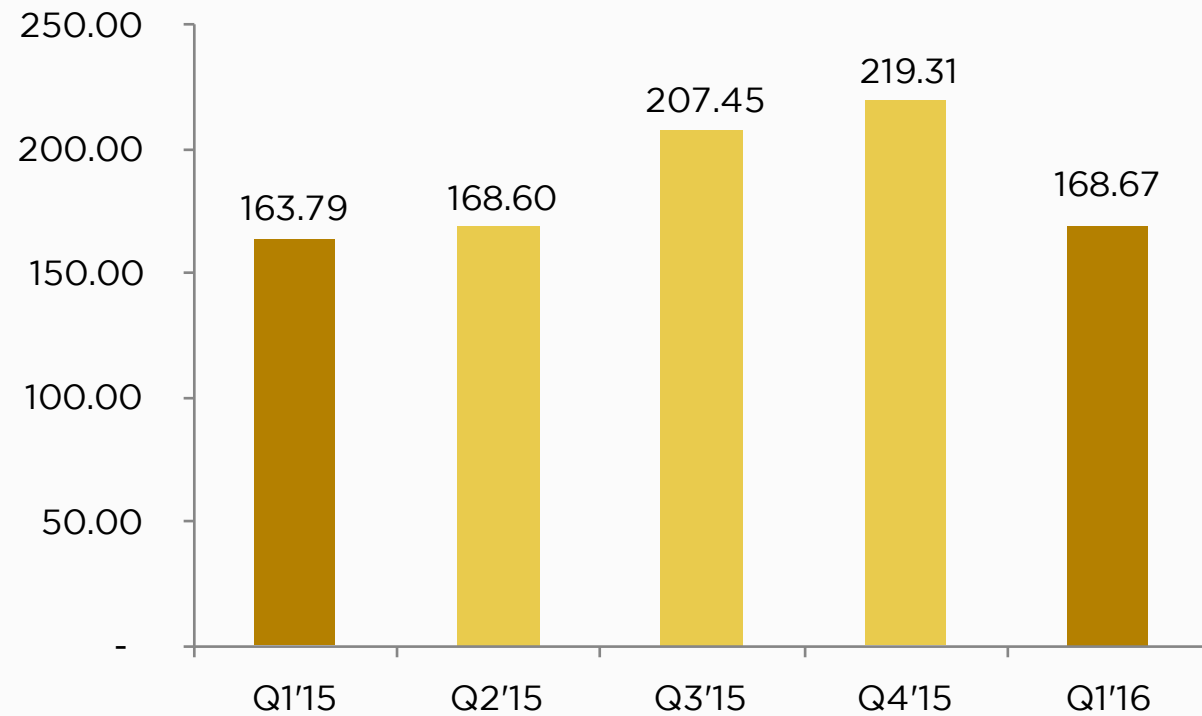
- Other expenditure

- ✓ Higher by 30% from ₹ 47.62 Mn in Q1 FY2015 to ₹ 61.71 Mn in Q1 FY2016
- ✓ Higher by 744% from ₹ 7.31 Mn in Q4 FY2015 to ₹ 61.71 Mn in Q1 FY2016

Other expenditure is high on account of new deployments and spends on new initiatives, which has resulted in an increase in expenditure on travel, selling & marketing and professional charges.

EBIDTA

₹ in Mn



- ✓ **3% growth from ₹ 163.79 Mn in Q1 FY2015 to ₹ 168.67 Mn in Q1 FY2016**
- ✓ **Lower by 23% at ₹ 168.67 Mn in Q1 FY2016 from ₹ 219.31 Mn in Q4 FY2015**

YoY EBIDTA has been stable as the increase in expenditure has been supported by increase in revenue. Boarding of new clients during Q1 FY2016 has resulted in an increase in travelling, selling & marketing expenses and related professional expenses thereby resulting in lower EBIDTA QoQ.

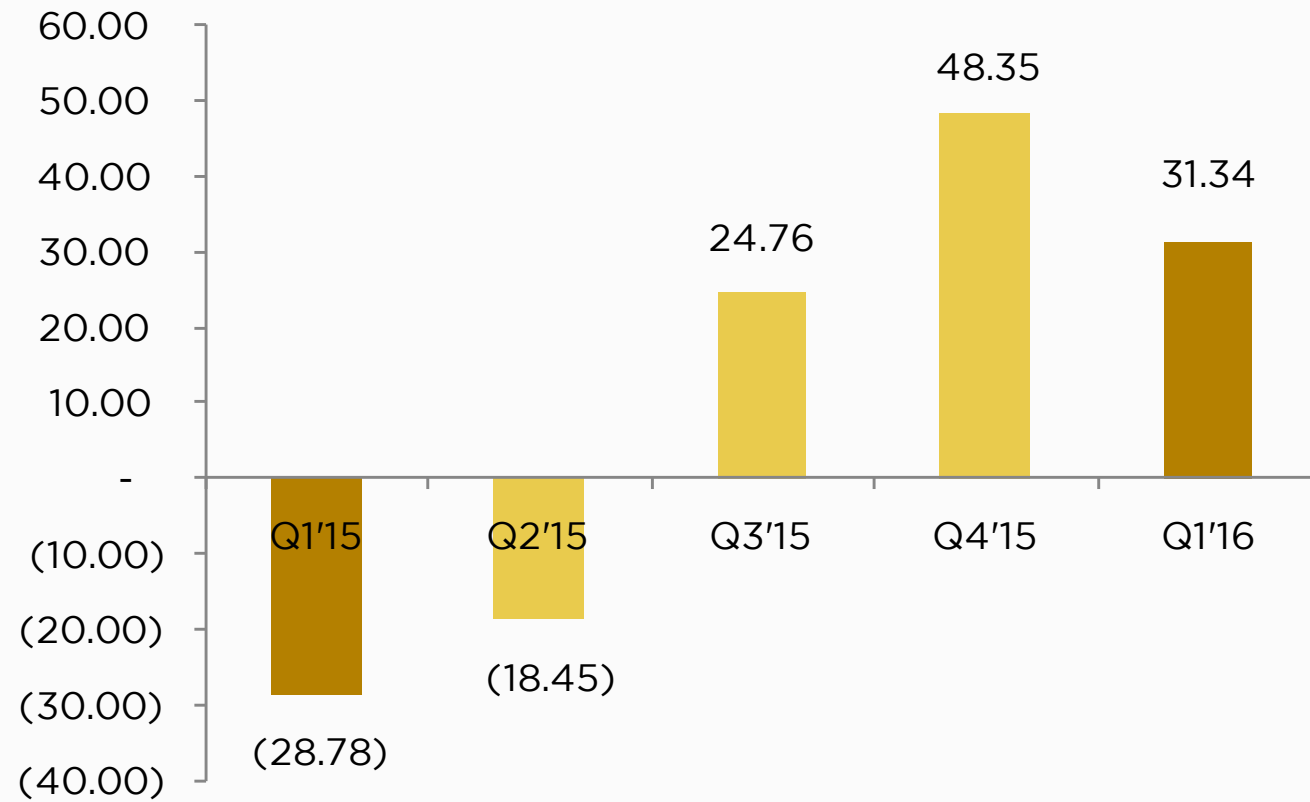
- Depreciation charge

- ✓ **Lower by 35 % at ₹ 127.21 Mn in Q1 FY2016 from ₹ 197.02 Mn in Q1 FY2015**
- ✓ **Lower by 24 % at ₹ 127.21 Mn in Q1 FY2016 from ₹ 167.61 Mn in Q4 FY2015**

Depreciation charge is lower on account of fully depreciated assets being eliminated from gross block during the previous year.

Profit After Tax (PAT)

₹ in Mn



- ✓ PAT is at ₹ 31.34 Mn in Q1 FY2016 in comparison to loss of ₹ 28.78 Mn in Q1 FY2015
- ✓ Lower by 35% at ₹ 31.34 Mn in Q1 FY2016 from ₹ 48.35 Mn in Q4 FY2015 due to decrease in Other income QoQ.

Business updates

M-Messaging

International

- ✓ Implementation of Indian regulatory changes on the international messaging hub in Singapore has delayed the launch of service by a quarter. Technical integration of the first client on international hubbing platform is in progress and is expected to go live in Q2. In addition, the international hubbing platform is also being tested by large resellers before they start commercial traffic.

Domestic

- ✓ Integrated one of the largest DTH operators to India A2P messaging hub.
- ✓ Total messages processed in Q1 FY1516 were 11.64 Bn messages compared to 10Bn messages in Q4 FY1415, an increase of 17%.
- ✓ India A2P messaging hub processed a high of 4.17 Bn messages in May 2015.

M-Payments

- ✓ 49.65 Mn transactions were processed during Q1 FY1516 compared to 51.3 Mn Transactions in Q4 FY1415.

Segment Reporting

- ✓ Revenue from Property Development Division is ₹ 60 Mn in Q1 FY1516 against ₹ 59 Mn in Q4 FY1516.

Corporate updates

- ✓ CARE – Credit Analysis and Research Limited has awarded a rating of “**CARE A2⁺**”.
- ✓ KPMG in India, appointed as the Internal Auditors of Tanla Solutions Limited for the FY 2015-16, have submitted their first internal audit report.
- ✓ Ernst & Young (E &Y) has been appointed as an advisory for performing system security audit to evaluate the performance of India A2P messaging hub.
- ✓ 19th AGM of the Shareholders will be held on Wednesday, Sept 16th 2015, at 10.30 AM at Novotel Hyderabad Convention Centre Hyderabad.

Update for Shareholders:

- ✓ Shareholders are encouraged to (1) register their mobile number and/or (2) update their e-mail address, by emailing their request to updates.investorhelp@tanla.com for receiving investor updates for forth coming quarters. Shareholders are requested to mention their name, DPID & CID in their email request.
- ✓ Shareholders who cannot attend the AGM but wish to seek clarification on any matter in the Annual Report can email a maximum of 3 queries to ar1415.investorhelp@tanla.com to reach us not later than Sept 09th, 2015; which shall be responded to in the AGM. Shareholders are requested to mention their name, DPID & CID in their email.
- ✓ An email will be sent to all shareholders to confirm their option to receive either physical copy or soft copy of the Annual Report.

Consolidated Financial Data - Fact Sheet

₹ in Mn

Particulars	Quarter ended June 30		% Change over previous year corresponding Quarter	Quarter ended March 31	% Change over previous Quarter
	2015	2014			
Income from Operations :			%	2015	%
Overseas	241.03	308.72	-22%	156.69	54%
Domestic	783.98	93.48	739%	717.45	9%
Total Income from Operations (A)	1,025.01	402.20	155%	874.14	17%
Other Income :					
Bad debts recovery	-	-	-	-	-
Interest & Income on Investments	0.16	-	-	2.13	-92%
Forex Fluctuation	-	4.68	-100%	15.54	-100%
Total Other Income (B)	0.16	4.68	-97%	17.66	-99%
Total Revenue (A)+ (B)	1,025.17	406.87	152%	891.81	15%
Expenses :					
Operating Expenses (C)	747.17	160.78	365%	604.51	24%
Diminution in Value of Investment (D)	-	-	-	-	-
Total Expenses (C)+ (D)	747.17	160.78	365%	604.51	24%
% Total Revenue	72.88%	39.52%	84%	67.78%	8%
Gross Profit :					
Gross Profit from Operations (A-C)	277.84	241.42	15%	269.64	3%
% Total Revenue	27.10%	59.33%	-54%	30.23%	-10%

Particulars	Quarter ended June 30		% Change over previous year corresponding Quarter	Quarter ended March 31	% Change over previous Quarter
	2015	2014	%	2015	%
Other Income net of Diminution in Value of Investments (H)	0.16	4.68	-97%	17.66	-99%
EBIDTA (E)	168.67	163.79	3%	219.31	-23%
Depreciation & Amortization :					
Normal Depreciation (F)	127.21	197.02	-35%	167.61	-24%
Depreciation on account of Currency Translation (G)	-	-	-	-	-
Total Depreciation & Amortization (F+G)	127.21	197.02	-35%	167.61	-24%
Net Profit/(Loss) after Depreciation on account of Currency Translation {E-F}	41.46	(33.24)	-225%	51.70	-20%
Net Profit / (Loss) after Depreciation & Amortization (E-F-G+H)	41.62	(28.56)	-246%	69.37	-40%
Net Profit / (Loss) before Tax	41.62	(28.56)		69.37	
Provision for Taxation :					
Current Tax - MAT	4.22	-	-	5.86	-28%
Deferred Tax	6.05	0.23	2589%	15.15	-60%
Net Profit / (Loss) after Tax	31.34	(28.78)		48.35	-35%
Earnings Per Share (of Face value Re.1/- each)	0.31	(0.28)		0.48	

Revenue by geography

in %

Particulars	Quarter Ended		
	Mar 31 2015	Dec 31 2014	Mar 31 2014
India	82.1%	64.3%	17.2%
ROW	17.9%	35.7%	82.8%

Currency Variance

Particulars	Quarter Ended		
	June 30 2015	Mar 31 2015	June 30 2014
GBP	100.07	92.54	102.06
USD	63.67	62.33	59.94

Revenue from Property Segment

₹ in Mn

Particulars	Quarter Ended		
	June 30 2015	Mar 31 2015	June 30 2014
Revenue	60.00	58.78	-
EBIDTA	26.85	23.95	-

Safe Harbor

Certain statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuation in earnings, our ability to manage growth, intense competition on IT services including these factors which may affect our cost advantage, cost of resources, introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.



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